

BCFPD
ADJUSTING JOURNAL ENTRIES
YEAR ENDED APRIL 30, 2007

Agenda Item #

64

125
kls 9/7/07

9/18/07

	Debit	Credit
1		
Accrued interest income	2,849.70	
Ambulance fees receivable	29,784.72	
Misc receivables-RE tax	19,580.14	
Vehicles (12602-15000)		2,398.00
Equipment		29,170.00
Accum Depreciation		126,770.00
Accounts payable	47,692.39	
Accounts payable-Acc adj	-	
Accrued bond interest		39,214.00
Net investment in capital assets	83,000.00	
Net investment in capital assets	75,338.00	
Opening bal equity	492,095.67	
Fund bal-Accrual adjustment		160,248.49
Fund bal-Fire	-	
Fund bal-Fire	201.00	594,453.55
Fund bal-Amb		563,901.00
Retained earnings	765,643.92	-
Misc income (to balance)		30.50
To adjust opening balance sheet and reconcile retained earnings		
2		
Various accounts (See listing)		229,806.19
Accounts payable	229,806.19	
To reverse VOB 4-30-07 Billing (See Listing)		
3		
Various accounts (See listing)	399,350.24	
Accounts payable		399,350.24
To record 4-30-07 accounts payable		
4		
Various accounts		90,426.42
Accounts payable	90,426.42	
To reverse VOB 12-31-06 Billing adjmt		

5

Repairs Station 3		646.31
Special projects		1,050.05
Trustee fees		7,500.00
Recording Secy fees		250.00
Bookkeeping fees		431.63
Legal fees		291.27
Fire station utilities St 1		1,057.33
Fire station utilities St 2		2,418.23
Accounts payable	13,644.82	
To reverse 4-30-06 AP - District accts		

6

Am transport fees-Andres		9,515.00
Ambulance fees receivable	9,515.00	
To adjust ambulance fee receivable to 4-30-07 balance of 39,300		

7

Fire Station III - RE tax credit income	19,580.14	
Misc receivables - RET receivable		19,580.14
To reverse 6-30-06 RET credit receivable from Station III closing		

8

Bond interest expense		1,789.00
Accrued bond interest	1,789.00	
To adjust accrued bond interest to 6-30-07 detail \$37,425		

9

Accrued interest income (cd)	1,120.30	
Interest income		1,120.30
To record 4/30/07 interest (3,970)		

10

Property taxes receivable	2,622,058.00	
Deferred property taxes		2,622,058.00
To record 2006 property taxes receivable		

11

Depreciation expense	188,237.00	
Accumulated depreciation		188,237.00
To record 4-30-07 depreciation expense		

5,091,712.65	5,091,712.65
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BCFPD
CONVERSION TO FUND BALANCE
YEAR ENDED APRIL 30, 2007

Building		
Land		3,788,882.00
Vehicles		483,876.00
Equipment		856,179.00
Office Equipment		294,269.00
Accum Depreciation	1,200,285.00	71,299.00
Net Invest in Capital Assets	1,142,220.00	
Bonds payable	3,152,000.00	
To clear beginning of year fixed assets and bonds payable		
Vehicles		176,625.00
Capital outlay - equipment	176,625.00	
To reclassify current year fixed asset acquisitions as capital outlay		
Depreciation expense		188,237.00
Accumulated depreciation	188,237.00	
To reverse current year depreciation		
Vehicles		94,000.00
Accumulated depreciation	94,000.00	
To reverse out current year dispositions		
Bonds payable		110,000.00
Interest expense (Debt Service)	110,000.00	
To reclassify principal & interest on current year bond payments		
Accrued bond interest	37,425.00	
Interest expense	1,789.00	
Fund balance-Fire		39,214.00
To reverse accrued bond interest		
	6,102,581.00	6,102,581.00

ALG-CX-12.2: Audit Difference Evaluation Form

Governmental Unit: Barrington Countryside FPDPrepared by: Kurt Schneider

Opinion Unit, Fund Type, or Fund: _____

Financial Statement Date: APR 30 2007Date: 9/2/07A Listing of Known Audit Differences Over:^a _____

Instructions: This form can be used to accumulate known and likely audit differences by opinion unit, fund type, or fund, detected by nonsampling substantive procedures (including differences in accounting estimates) and projected audit differences from substantive procedures that used sampling. The auditor should review the guidance beginning in paragraph 1010.31 before concluding whether to reflect the effect of prior-year unadjusted audit differences in evaluating audit differences in the current period. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in the context of individual opinion units and conclude on whether they materially misstate the financial statements of an opinion unit. Thus, a separate "Audit Difference Evaluation Form" should be prepared for each opinion unit, fund type, or fund. The notes following the table provide footnote explanations and a listing of qualitative considerations in evaluating materiality.

Financial Statements Effect—Amount of Over (Under) Statement of:										
Description (Nature) of Audit Difference	Known (K) or Likely (L)	Cause	Work-paper Ref.	Total Assets	Total Liabilities	Working Cap.	Fund Balance/ Net Assets	Revenues	Expn.	Change In Fund Balance/ Net Assets ^b
Village Under Billing	K	Subst Error	753	100-7	100-7	826-7	100-7	826-7	100-7	
Total from Continuation Page(s)										
Total					2765		2765		2765	
Less Audit Adjustments Subsequently Booked										
Net Unadjusted Audit Differences—This year										
Effect of Unadjusted Audit Differences—Prior Years ^c										
Total Audit Differences										
Financial Statement Caption Totals										
Audit Differences as % of F/S Captions				%	%	%	%	%	%	%

Conclusion: Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate, do not cause the financial statements of the opinion unit to be materially misstated.

**BARRINGTON COUNTRYSIDE
FIRE PROTECTION DISTRICT
AUDITED FINANCIAL STATEMENTS**

APRIL 30, 2007

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
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APRIL 30, 2007

**Exhibit or
Schedule**

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Statement of Net Assets

A

Statement of Activities

B

Fund Financial Statements:

Balance Sheet – Governmental Funds

C

Reconciliation of the Governmental Fund Balance Sheet to the Statement of
Net Assets

D

Statement of Revenue, Expenditures, and Changes in Fund Balances -
Governmental Funds

E

Reconciliation of the Governmental Fund Statement of Revenue and
Expenditures to the Statement of Activities

F

Notes to the Basic Financial Statements

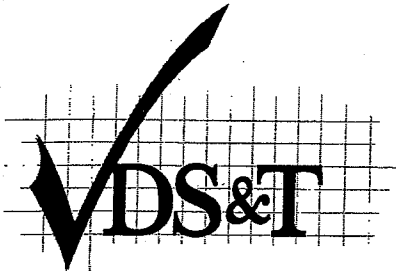
REQUIRED SUPPLEMENTARY FINANCIAL STATEMENTS

Statement of Revenue, Expenditures and Changes in Fund Balances -

Budget and Actual

General and Ambulance Funds

1



D A M , S N E L L & T A V E I R N E , L T D .

C E R T I F I E D • P U B L I C • A C C O U N T A N T S

INDEPENDENT AUDITORS' REPORT

LEONARD A. DAM CPA, CFP
DAVID W. SNELL CPA, CFP
DOUGLAS J. TAVEIRNE CPA, CFP
HUGH (SKIP) McCANN CPA, CVA
BARBARA A. HARFOLD CPA
PATRICK L. McCANN

To the Board of Trustees
Barrington Countryside Fire Protection District
Barrington, Illinois

We have audited the accompanying financial statements of the governmental activities and the major funds of the Barrington Countryside Fire Protection District (the "District") as of and for the year ended April 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barrington Countryside Fire Protection District, as of April 30, 2007, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and budgetary comparisons on Schedule 1 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

DAM, SNELL & TAVEIRNE, LTD.
Certified Public Accountants
Fox Lake, Illinois
October 10, 2007

21 ROLLINS ROAD, FOX LAKE, ILLINOIS 60020
1512 ARTAIUS PARKWAY, SUITE 100, LIBERTYVILLE, ILLINOIS 60048
6115 LOU STREET, CRYSTAL LAKE, ILLINOIS 60014 (BY APPOINTMENT ONLY)

PHONE: 847.587.3022 • FAX: 847.587.4351
PHONE: 847.367.4448 • FAX: 847.367.2606
PHONE: 847.587.3022

**BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

Our discussion and analysis of the Barrington Countryside Fire Protection District's financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2007. Please read it in conjunction with the audit report and financial statements.

FINANCIAL HIGHLIGHTS

- The District's net assets, which equal total assets minus total liabilities, were \$6,115,916 at April 30, 2007, an increase of \$1,670,235 over the previous fiscal year.
- Unrestricted net assets, which are assets that may be used to meet the District's ongoing obligations to residents and creditors, were \$4,875,307 at the end of the 2007 fiscal year. Of the total unrestricted amount, \$2,698,760 has been designated for future capital outlay and debt service.
- Revenues equaled \$5,253,584, and exceeded total expenses of \$3,583,349 by \$1,670,235.

USING THIS ANNUAL REPORT

The government-wide financial statements focus on the District as a whole. This presentation is designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. They consist of a Statement of Net Assets and a Statement of Activities (Exhibits A and B of the report). These financial statements are prepared using the accrual basis of accounting, which is described in the notes to financial statements.

These statements include all assets and liabilities using the accrual basis of accounting, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activity presents information showing how the District's net assets changed during the most recent fiscal year.

FUND FINANCIAL STATEMENTS

Fund financial statements (Exhibits A through F of the report) provide additional detail about District funds. The District maintains two funds for accounting purposes. Both the general fund and the ambulance fund are classified as governmental funds. Governmental funds generally focus on how cash flows in and out of the District, and the balances left at year end that are available for spending.

NOTES TO FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and also the fund financial statements.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. A budgetary comparison has been provided for the General and Ambulance Funds as required supplementary information (Schedule 1 of the report).

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net assets increased by \$1,670,235 from the previous year. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

Table 1
Net Assets
Fiscal Year Ended April 30,

	2007	2006	Percent Change
Current assets	\$ 7,934,140	\$ 6,636,510	19.55%
Capital assets	4,282,609	4,294,220	-0.27%
Total assets	<u>12,216,749</u>	<u>10,930,730</u>	11.77%
Current liabilities	3,171,833	3,443,049	-7.88%
Non-current liabilities	2,929,000	3,042,000	-3.71%
Total liabilities	<u>6,100,833</u>	<u>6,485,049</u>	-5.92%
Net assets			
Invested in capital assets	1,240,609	1,142,220	8.61%
Unrestricted	4,875,307	3,303,461	47.58%
Total net assets	<u>\$ 6,115,916</u>	<u>\$ 4,445,681</u>	37.57%

The District's net assets are composed of capital assets, designated assets and unrestricted assets. Capital assets reflect the District investments in capital assets less any related debt used to acquire those assets that remain outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. There was no restricted asset balance at the end of the year. The remaining assets represent unrestricted net assets and may be used to meet the District's ongoing obligations to citizens and creditors. Of the unrestricted net asset balance, \$1,687,833 is designated for capital asset replacement and \$1,010,927 is designated for debt service.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007

Table 2
Changes in Net Assets
Fiscal Year Ended April 30,

	2007	2006	Percent Change
Revenues			
Operating revenues			
Charges for services - Ambulance user fees	\$ 246,366	\$ 222,127	10.91%
Nonoperating income			
Property taxes	4,736,231	4,057,674	16.72%
Personal property replacement taxes	14,635	12,730	14.96%
2% Foreign fire tax	21,193	18,467	14.76%
Investment income	228,461	125,498	82.04%
Other	6,698	3,771	77.62%
Total revenues	<u>5,253,584</u>	<u>4,440,267</u>	18.32%
Expenses			
Fire call service fee	1,692,350	1,564,020	8.21%
Ambulance call service fees	1,347,386	1,250,924	7.71%
Insurance	5,619	5,417	3.73%
Trustee fees and bonds	8,066	8,100	-0.42%
Bookkeeping fees	5,856	5,579	4.97%
Recording secretary fees	4,692	3,912	19.94%
Professional fees	17,022	15,248	11.63%
Office supplies and other	5,507	2,704	103.66%
Special projects	9,239	19,806	-53.35%
Building maintenance	67,115	19,798	239.00%
Utilities	74,534	55,735	33.73%
Depreciation	188,237	183,878	2.37%
Interest expense	157,726	161,727	-2.47%
Total expenses	<u>3,583,349</u>	<u>3,296,848</u>	8.69%
Increase (decrease) in net assets	1,670,235	1,143,419	
Beginning of year	4,445,681	3,302,262	
End of year	<u>\$ 6,115,916</u>	<u>\$ 4,445,681</u>	

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007

Net assets of the District increased by \$1,670,235 in 2007, from a beginning total of \$4,445,681 to an ending total of \$6,115,916.

Total District revenues equaled \$5,253,584 and were greater than total expenses of \$3,583,349 by \$1,670,235.

The District's principal source of revenue is property tax.

The District contracts with the Village of Barrington for fire and ambulance services. District payments to the Village are based on a cost allocation formula.

ANALYSIS OF SIGNIFICANT BUDGETARY VARIATIONS

The financial statements and legally adopted budget are prepared using the modified accrual basis of accounting. The District's spending was below budgeted amounts. Amounts budgeted for possible equipment, building modifications were not expended during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of April 30, 2007 was \$4,282,609 (net of accumulated depreciation). This investment in capital assets includes land, two fire stations, vehicles, equipment, and office equipment and furniture. Further information is provided at Note 3 to the financial statements.

During the year, the District paid \$176,625 representing one-half the cost to purchase two ambulances and a staff vehicle. The other half was paid for by the Village of Barrington under the terms of the contract. The District spent \$67,115 in building maintenance during the year.

Debt

On April 30, 2007, the District had three debt issues outstanding as reflected below. Proceeds were used to purchase and improve property for a new fire station. Detailed information regarding debt issues is located in Note 6 to the financial statements.

Table 4
Outstanding Debt
Fiscal Year Ended April 30,

	2007	2006
Fire Protection Notes Series 1996 issued for Station 2	\$ 990,000	\$ 1,020,000
Fire Protection Notes Series 2002 issued for Station 3	1,191,000	1,216,000
Fire Protection Notes Series 2004 issued for Station 3	861,000	916,000
Total	<u>\$ 3,042,000</u>	<u>\$ 3,152,000</u>

**BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's appointed officials considered many factors when setting the fiscal-year 2007-2008 budget and the associated property tax rates and charges for services. The 2007-08 budget reflects increased staffing costs, station maintenance, and major vehicle replacements, as well as a reduction in the property taxes.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Office at 400 Northwest Highway, Barrington, Illinois 60010.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
GOVERNMENT - WIDE FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS
APRIL 30, 2007

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 5,168,812
Investments	100,000
Receivables	
Property taxes (net of allowances)	2,622,058
Ambulance fee	39,300
Other	3,970
Capital assets	
Land	483,876
Depreciable buildings, property and equipment, net	<u>3,798,733</u>
Total assets	<u>\$12,216,749</u>
LIABILITIES	
Current liabilities	
Accounts payable	399,350
Accrued interest	37,425
Deferred property tax revenue	2,622,058
Noncurrent liabilities	
Due within one year	113,000
Due in more than one year	<u>2,929,000</u>
Total liabilities	<u>6,100,833</u>
NET ASSETS	
Invested in capital assets	1,240,609
Unrestricted	<u>4,875,307</u>
Total net assets	<u>6,115,916</u>
Total liabilities and net assets	<u>\$12,216,749</u>

See accompanying notes to financial statements.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
 GOVERNMENT - WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2007

		Program Revenues		Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES				
Fire and ambulance services	\$ 3,583,349	\$ 246,366	\$ -	(3,336,983)
General Revenues:				
Taxes				
Real estate taxes				4,736,231
Personal property replacement taxes				14,635
2% Foreign fire tax				21,193
Investment earnings				228,461
Other				6,698
Total general revenues				<u>5,007,218</u>
Change in net assets				1,670,235
Net assets - beginning of year				<u>4,445,681</u>
Net assets - end of year				<u>\$ 6,115,916</u>

See accompanying notes to financial statements.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2007

	<u>General</u>	<u>Ambulance</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 2,675,737	\$ 2,493,075	\$ 5,168,812
Investments	100,000	-	100,000
Receivables			-
Property taxes (net of allowances)	1,696,393	925,665	2,622,058
Ambulance fees	-	39,300	39,300
Other	1,985	1,985	3,970
Total assets	<u>\$ 4,474,115</u>	<u>\$ 3,460,025</u>	<u>\$ 7,934,140</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 219,962	\$ 179,388	\$ 399,350
Deferred property tax revenue	1,696,393	925,665	2,622,058
Total liabilities	<u>1,916,355</u>	<u>1,105,053</u>	<u>3,021,408</u>
FUND EQUITY			
Designated for capital outlay	1,546,833	141,000	1,687,833
Designated for debt service	1,010,927	-	1,010,927
Unreserved	-	2,213,972	2,213,972
Total fund equity	<u>2,557,760</u>	<u>2,354,972</u>	<u>4,912,732</u>
 Total liabilities and fund equity	 <u>\$ 4,474,115</u>	 <u>\$ 3,460,025</u>	 <u>\$ 7,934,140</u>

See accompanying notes to financial statements.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
APRIL 30, 2007

Total fund balances - governmental funds \$ 4,912,732

Amounts reported for governmental activities in the Statement of Net Assets are different due to:

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 5,577,131	
Depreciation expense to date	<u>(1,294,522)</u>	
		<u>4,282,609</u>

Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Due within one year	(113,000)	
Due in more than one year	(2,929,000)	
Accrued interest on bonds payable	<u>(37,425)</u>	
		<u>(3,079,425)</u>

Net assets of the governmental activities	<u>\$ 6,115,916</u>
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See accompanying notes to financial statements.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2007

	General	Ambulance	Total Governmental Funds
Revenue			
Property taxes	\$ 2,856,503	\$ 1,879,728	4,736,231
Replacement taxes	14,635	-	14,635
Foreign fire insurance tax	21,193	-	21,193
Interest income	114,230	114,231	228,461
Ambulance user fees	-	246,366	246,366
Other	6,698	-	6,698
Total revenue	<u>3,013,259</u>	<u>2,240,325</u>	<u>5,253,584</u>
Expenditures			
Public safety			
Fire call service fee	1,692,350	-	1,692,350
Insurance	2,810	2,809	5,619
Trustee fees and bonds	4,034	4,032	8,066
Bookkeeping fees	2,928	2,928	5,856
Recording secretary fees	2,346	2,346	4,692
Professional fees	8,511	8,511	17,022
Office supplies and other	2,753	2,754	5,507
Special projects	4,619	4,620	9,239
Building maintenance	33,833	33,282	67,115
Utilities	37,267	37,267	74,534
Debt service	269,516	-	269,516
Ambulance call service fees	-	1,347,386	1,347,386
Capital outlay			
Equipment and vehicles	14,505	162,120	176,625
Total disbursements	<u>2,075,472</u>	<u>1,608,055</u>	<u>3,683,527</u>
Excess of revenue over (under) expenditures	937,787	632,270	1,570,057
FUND BALANCES - Beginning	<u>1,619,973</u>	<u>1,722,702</u>	<u>3,342,675</u>
FUND BALANCES - Ending	<u>\$ 2,557,760</u>	<u>\$ 2,354,972</u>	<u>\$ 4,912,732</u>

See accompanying notes to financial statements.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUND
 STATEMENT OF REVENUE AND EXPENDITURES
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2007

Net change in fund balances - total governmental funds \$ 1,570,057

Amounts reported for governmental activities in the Statement of Activities are different due to:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.

	Depreciation expense	\$(188,237)	
	Capital outlay	<u>176,625</u>	
			(11,612)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 110,000

Changes to accrued interest on long-term debt in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 1,790

Change in net assets of governmental activities \$ 1,670,235

See accompanying notes to financial statements.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District provides fire protection and ambulance services for certain areas of Cook, Lake and McHenry Counties.

A summary of the District's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

A. Principles used to Determine Scope of Entity – The District is a primary governmental unit as defined by Governmental Accounting Standards Board Statement No. 14. GASB 14 has been applied to determine that no component units should be included in the District's reporting entity.

B. Basis of Presentation –

Government-wide Financial Statements – The Government-wide financial statements (The Statement of Net Assets and the Statement of Activities) report information on all of the activities of the District. The effect of interfund activity has been removed from these statements. All of the District's operating activities are considered "governmental activities", that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead.

Fund Financial Statements - The accounts of the District in the governmental fund financial statements are organized and operated on the basis of funds. A fund is an independent accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues collected, and expenditures paid. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and managerial requirements. The following is a description of the governmental funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - The Special Revenue (Ambulance) Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Both of the District's funds meet the GASB34 criteria for major funds.

C. Measurement Focus and Basis of Accounting –

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus is used.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

D. Budgets and Budgetary Accounting – The budget for all funds is prepared on the modified accrual basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The budget, which was not amended, was passed on July 17, 2006. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Board of Trustees prepares a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is legally adopted through passage of an ordinance.
4. The District is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total disbursements of any fund must be approved by the Board.
5. Formal budgetary integration is employed as a management control device during the year.

E. Cash and Cash Equivalents - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments, with original maturities of three months or less from the date of acquisition.

F. Assets, Liabilities and Net Assets

Investments – Investments are stated at cost which approximates fair value.

Inventories – It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values or resale or supply items on hand.

Capital Assets - Capital assets, which include land, land improvements, buildings, infrastructure, machinery and equipment, and construction in progress are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,500 and an estimated useful life of three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the capacity of the asset or materially extend assets' original useful lives are not capitalized.

Depreciation of capital assets is provided using the straight line method over the following estimated useful lives; land improvements – 10 years, buildings – 40 years, infrastructure – 50 years, machinery and equipment – 5-20 years.

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statements of net assets. Bond premiums, discounts and issuance costs are reported during the current period. In the fund financial statements, governmental funds recognize bond premiums, discounts, and issuance costs in the current period as other financing sources or uses. Likewise, the face amount of the debt issued is reported as other financing sources.

Deferred Revenue – Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Restricted Net Assets – For the government-wide financial statements, net assets are reported as restricted when constraints placed on net asset use are either: (1) Externally imposed by creditors, grantors, contributors, laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

In fund financial statements, reservations of fund balance represent amounts that are not available for other appropriations, or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Eliminations and Reclassifications – In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

G. Use of estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the accounting period. Actual amounts could vary from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of April 30, 2007, the District had the following certificate of deposit. The balance of its funds were held in checking and money market deposit accounts.

Investment	Maturities	2007 Fair Value
Certificate of Deposit	1 year	100,000
Total investment		100,000

Interest Rate Risk. It is the policy of the District to invest in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

Credit Risk. The District invests in securities as authorized by Chapter 30, Section 235 of the Illinois Compiled Statutes and the District's investment policy. Among others, the District is allowed to invest in banks insured by the Federal Deposit Insurance Corporation, obligations of the U.S. Treasury and U.S. Agencies and the Illinois Public Treasurers' Investment Pool.

Custodial Credit Risk. For an investment, a custodial credit risk is one that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are registered in the District's name. Bank deposits in excess of Federal Depository Insurance Corporation limits are collateralized with securities held by the financial institutions' agents in the District's name. As of April 30, 2007, \$95,435 of deposits that exceeded FDIC limits were not collateralized and \$4,873,876 of deposits that exceeded FDIC limits were collateralized with securities held by the financial institution's agents in the District's name.

NOTE 3 - CAPITAL ASSETS

Capital asset activity of the District for the year ended April 30, 2007 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets-not being depreciated				
Land	\$ 483,876	\$ -	\$ -	\$ 483,876
Other capital assets				
Buildings	3,788,882	-	-	3,788,882
Vehicles and equipment	1,150,448	176,625	(94,000)	1,233,073
Office eqpt & furniture	71,299	-	-	71,299
	<u>5,010,629</u>	<u>176,625</u>	<u>(94,000)</u>	<u>5,093,254</u>
Less accumulated depreciation				
Buildings	407,824	94,722	-	502,546
Vehicles and equipment	766,076	86,374	(94,000)	758,450
Office eqpt & furniture	26,385	7,141	-	33,526
	<u>1,200,285</u>	<u>188,237</u>	<u>(94,000)</u>	<u>1,294,522</u>
Total other capital assets	<u>3,810,344</u>	<u>(11,612)</u>	<u>-</u>	<u>3,798,732</u>
Total capital assets	<u>\$ 4,294,220</u>	<u>\$ (11,612)</u>	<u>\$ -</u>	<u>\$ 4,282,608</u>

NOTE 4 – PROPERTY TAX INFORMATION

The District's property tax is levied each year on all taxable property located in the District and is extended by the Cook County Clerk in August of the year following the levy year. Lake and McHenry Counties extend taxes early in the year following the levy year. The lien date is January 1 of the year of the levy. Taxes are due to the counties in two installments; in June and September of the year following the levy year for Lake and McHenry Counties; and in February and August for Cook County. The counties make distributions to the District shortly after collection. The District adopted the 2006 levy in December 2006. Financial statement revenues reflect \$3,342,135 from the 2005 levy and \$1,394,096 from the 2006 levy.

Property tax revenue is recognized when the revenue becomes available to meet current year's expenditures. Availability is typically recognized upon receipt. The District records property taxes receivable for calendar year 2005 and the revenue is deferred until it becomes available.

Calendar year 2007 property taxes have not been levied, and are not currently measurable. Therefore, the receivable for these taxes and related deferred revenue have not been recorded.

NOTE 5 - CONTRACT FOR FIRE AND AMBULANCE PROTECTION SERVICE

The District contracts with the Village of Barrington to provide fire and ambulance service in unincorporated areas new contract became effective October 1, 2005. As part of the agreement, the District agrees to compensate the Village for services so rendered based on a cost allocation formula. Total expenditures under the contract for fire and ambulance call service fees were \$3,216,361 for the year ended April 30, 2007. This includes \$176,625 paid to the Village for capital assets.

The initial contract term, which commenced on October 1, 2005, ends December 31, 2009, and has automatic four year renewal periods. The Agreement may be terminated by written amendment to the agreement, or written notice not less than fifteen months prior to the expiration of the initial or the then-current renewal term.

Ambulance user fees are recorded as revenues when collected by the Village of Barrington. No allowance is made for claims in progress.

NOTE 6 – LONG TERM DEBT

At April 30, 2007, bonds payable consisted of the following individual issues:

On October 15, 1996, the District issued Fire Protection Notes in the amount of \$1,200,000 for the purpose of constructing a fire station. Principal and interest payments are due semiannually on January 1 and July 1 beginning January 1, 1998 with the final payment due January 1, 2026. Annual principal payments range from \$25,000 in 2004 to \$85,000 in 2026. Interest is payable at rates ranging from 5.1% to 6.0%. The Notes have an optional redemption date of January 1, 2011 at par value. The Notes are general obligations of the District and are payable from the General Fund.

\$ 990,000

On December 15, 2002, the District issued Fire Protection Notes in the amount of \$1,300,000 for the purpose of acquiring a fire station. Principal and interest payments are due semiannually on April 1 and October 1 beginning October 1, 2003 with the final payment due October 2, 2032. Annual principal payments range from \$36,000 in 2003 to \$79,000 in 2032. Interest is payable at rates ranging from 1.85% to 5.5%. The Notes have an optional redemption date of October 1, 2012 and thereafter at par value. The Notes are general obligations of the District and are payable from the General Fund.

1,191,000

On July 1, 2004, the District issued Fire Protection Notes in the amount of \$950,000 for the purpose of acquiring and improving a fire station. Principal and interest payments are due semiannually on January 1 and July 1 beginning July 1, 2005 with the final payment due January 1, 2019. Annual principal payments range from \$34,000 in 2006 to \$91,000 in 2019. Interest is payable at rates ranging from 2.1% to 5.2%. The Notes have optional redemption dates payable at the following premiums:

January 1, 2005 - June 30, 2008 inclusive at 102%

July 1, 2008 - June 30, 2012 inclusive at 101%

July 1, 2012 and thereafter at 100%

The Notes are general obligations of the District and are payable from the General Fund.

861,000

Total bonds payable

\$ 3,042,000

Long-Term Liabilities Activity

Transactions for the year ended April 30, 2007 are summarized as follows:

	Fire Protection Notes
Beginning balance	\$ 3,152,000
Additions	-
Repayments	(110,000)
Ending balance	<u>\$ 3,042,000</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Year Ending April 30,	Fire Protection Notes		Total
	Principal	Interest	
2008	\$ 113,000	\$ 155,013	\$ 268,013
2009	115,000	150,641	265,641
2010	124,000	145,913	269,913
2011	126,000	140,526	266,526
2012	131,000	134,731	265,731
2013-2017	765,000	571,226	1,336,226
2018-2022	679,000	367,092	1,046,092
2023-2027	572,000	196,176	768,176
2028-2032	338,000	69,457	407,457
2033	79,000	2,173	81,173
Total	<u>\$ 3,042,000</u>	<u>\$ 1,932,948</u>	<u>\$ 4,974,948</u>

NOTE 7 – BUILDING LEASE

The District has constructed a fire station (Station 2) on land owned by the Village of Barrington Hills. The District entered into a lease agreement dated August 30, 1996, with the Village. Under the terms of the lease agreement, the building was conveyed to the Village upon occupancy by the District. The lease is for a term of thirty years, with options to extend for two periods of 10 years, nine periods of five years each, and one period of four years.

Annual rent payments of one dollar per year are due to the Village in advance on the first day of each lease year. The building is reflected as an asset under capital lease in the general fixed asset account group for financial statement purposes.

NOTE 8 – RISK MANAGEMENT

The District paid a portion of the Village of Barrington's cost to be a member of the Illinois Municipal Risk Management Agency (IRMA). IRMA provides coverage for commercial general liability, workers compensation, personnel accident, vehicle liability, and property damage. Other commercial coverage is separately purchased from private insurance companies. Settled claims for these risks have not exceeded insurance coverage for the past three years and there have been no significant reductions in insurance coverage.

NOTE 9 – CONTINGENT LIABILITY

Certain members of the Village of Barrington Fire Department have asserted claims related to pension coverage. The cost to the District, if any, cannot be determined at this time.

BARRINGTON COUNTRYSIDE FIRE PROTECTION DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED APRIL 30, 2007

	<u>General Fund</u>		<u>Ambulance Fund</u>	
	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>
REVENUE				
Property taxes	\$ 2,856,503	\$ 2,436,000	\$ 1,879,728	\$ 1,624,000
Replacement taxes	14,635	15,000	-	-
Foreign fire insurance tax	21,193	21,000	-	-
Interest income	114,230	100,000	114,231	100,000
Ambulance user fees	-	-	246,366	230,000
Other	6,698	1,000	-	-
Total revenue	<u>3,013,259</u>	<u>2,573,000</u>	<u>2,240,325</u>	<u>1,954,000</u>
EXPENDITURES				
Public safety				
Fire call service fee	1,692,350	1,925,000	-	-
Insurance	2,810	6,000	2,809	6,000
Trustee fees and bonds	4,034	5,000	4,032	2,500
Bookkeeping fees	2,928	5,500	2,928	5,500
Recording secretary fees	2,346	4,000	2,346	4,000
Professional fees	8,511	21,000	8,511	21,000
Office supplies and other	2,753	4,000	2,754	4,000
Special projects	4,619	6,500	4,620	2,000
Consultant fees	-	10,000	-	7,000
Building maintenance and repairs	33,833	80,000	33,282	80,000
Utilities	37,267	45,000	37,267	45,000
Contingencies	-	60,000	-	50,000
Debt service	269,516	273,000	-	-
Health				
Ambulance call service fees	-	-	1,347,386	1,575,000
Capital outlay				
Vehicles and equipment	14,505	235,000	162,120	200,000
Construction costs	-	100,000	-	-
Total expenditures	<u>2,075,472</u>	<u>2,780,000</u>	<u>1,608,055</u>	<u>2,002,000</u>
Excess (deficiency) of revenues over expenditures	937,787	(207,000)	632,270	(48,000)
FUND BALANCES - Beginning	<u>1,619,973</u>	<u>1,619,973</u>	<u>1,722,702</u>	<u>1,722,702</u>
FUND BALANCES - Ending	<u>\$ 2,557,760</u>	<u>\$ 1,412,973</u>	<u>\$ 2,354,972</u>	<u>\$ 1,674,702</u>

The accompanying notes are an integral part of these financial statements.